

**Changes from FY 2010-11 Year to Date:**Items Included by the House and Senate

1. **Branch Office Closings.** At least 180 days prior to the announcement of Secretary of State branch office closings or consolidations, or 60 days prior to relocating a branch office, the Department of State shall inform members of the Senate and House of Representatives Standing Committees on Appropriations and Legislators who represent affected areas regarding the details of the proposal. The Governor eliminated this section. The Senate and House retained this section. (Sec. 714)
2. **Guidelines for Branch Office Placement.** Provides guidelines for the placement of branch offices. The Department of State shall: avoid leasing space on greenfield sites; locate branch offices in urban areas to encourage public investment in urban areas; locate offices at locations consistent with local planning and zoning laws; and whenever possible locate branch offices in urban areas. Governor: removed language. Senate and House: Concurred with Governor.

Conference Agreement on Items of Difference

3. **Motorcycle Safety Education Program.** Language continuing the Motorcycle Safety Education Program in the same manner as was provided by the Department of Education and the listing of revenue sources for the program were removed by the Governor and House. The Senate retained this section. The Conference Report concurred with the House. (Sec. 716)
4. **Buena Vista Branch Office.** Requires the Department to maintain a full service branch office in Buena Vista Township. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the House. (Sec. 718)
5. **General Fund Expenditures.** Requires the Department to use Restricted Funds before using General Fund dollars. The Governor and House removed this section. The Senate retained this section. The Conference Report concurred with the Senate. (Sec. 719)
6. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 705(5), 706, 716b, 716c, and 717(3). The House concurred with the Governor. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate retained Sections 705(5), 716b, and 717(3). The Conference Report concurred with the Senate.

Date Completed: 6-30-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$974,362,200**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the House and Senate

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| 1. <b>State Building Authority Rent Adjustments.</b> Governor, Senate, and House made adjustments of \$15.0 million for State financed building projects.   | 15,000,000  |
| 2. <b>Accounting Consolidation.</b> Governor, Senate, and House increased funding and 14.0 FTEs to finalize the consolidation of accounting services resulting from the previous merger of Civil Service and DMB.   | 1,593,200   |
| 3. <b>Information Technology (IT) - Alignment of IDG Funding.</b> The IT portion of the budget aligned its IDG funding with enacted FY 2011 appropriations for all departments.   | 7,907,900   |
| 4. <b>Gubernatorial Transition.</b> One-time funding provided in FY 2011 for Governor transition costs was eliminated by the Governor, Senate, and House.   | (1,500,000) |
| 5. <b>Building Operations.</b> Consolidation of functions and reduction in funded FTE positions resulted in savings of \$1.3 million for FY 2011-12. Senate and House concurred with Governor.  | (1,250,000) |
| 6. <b>Early Retirement Savings.</b> Administrative savings due to early retirements: Management and Budget saved \$1.5 million, Civil Service Commission saved \$1.6 million, and IT saved \$2.8 million.   | (5,941,200) |
| 7. <b>Professional Development.</b> Governor, Senate, and House eliminated all remaining funding of \$225,000 for professional development activities for State employees.  | (225,000)   |
| 8. <b>Civil Service Commission Adjustment.</b> Civil Service Commission accounting costs saved as a result of a Department of Corrections facility closure in 2010.   | 277,800     |
| 9. <b>Governor's Target Reduction.</b> Several line items were reduced to achieve an overall GF/GP savings. Management and Budget reduced costs by \$3.1 million, Civil Service Commission reduced costs by \$2.0 million, and IT reduced costs by \$1.3 million. | (6,394,300) |
| 10. <b>IT Miscellaneous Adjustments.</b> Items related to IT for several departments were adjusted. Positive adjustments totaled \$13.6 million (the largest being \$8.9 million for DCH's HIPPA project) while negative adjustments totaled \$1.5 million.       | 12,079,400  |
| 11. <b>Gov. Revised Rec.</b> Senate and House included additional funding from a revised Governor's Rec. for funds transferred to the Dept. due to E.O. 2011-4, the restructuring of MDLARA.  | 7,542,600   |
| 12. <b>Economic Adjustments.</b> Management and Budget's economic adjustments totaled \$10,917,100 while the economic adjustment for IT totaled \$314,600.  | 11,231,700  |

Conference Agreement on Items of Difference

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| 13. <b>Technology Innovations Fund.</b> Governor provided new GF/GP funding of \$5.0 million for competitive grants for innovations in technology. Senate and House did not include. Conference included \$2.5 million.  | 2,500,000 |
| 14. <b>House GF/GP Reductions.</b> The House included reductions in GF/GP funding to several line items. Management and Budget line items were reduced by a total of \$512,200 while Civil Service Commission line items were reduced by \$332,200. Conference did not include these reductions. | 0         |
| 15. <b>FY 2011-12 One-Time Appropriations.</b> The Conference provided \$1.25 million in funding for asbestos removal from the former State Police Headquarters at MSU and \$60.0 million for other post-employment benefits.  |           |

Total Changes.....	\$42,822,100
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<b>FY 2011-12 Enacted Gross Appropriation.....</b>	<b>\$1,017,184,300</b>
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**Changes from FY 2010-11 Year to Date:**Items Included by the House and Senate

1. **Computer Contract Adjustments.** Requires notification to the House and Senate Appropriation Committee Chairs and General Government Subcommittee Committee Chairs on computer contract revisions that increase or decrease current contracts by more than \$500,000. Governor: Removed language. Senate and House: Retained current language. (Sec. 809)
2. **Unclassified Salaries.** Requires the Department to compile a report by January 1 pertaining to the salaries of unclassified employees and gubernatorial appointees. Governor: Removed language. Senate and House: Retained current language. (Sec. 822)

Conference Agreement on Items of Difference

3. **Consolidated Internet Auction Services.** The Senate added new language requiring DTMB to provide consolidated internet auction services through the State's contractors for all local units of government. The House did not include this change. Conference concurred with Senate. (Sec. 802)
4. **Remanufactured Furniture.** The Senate added new language requiring the Department to spend no more than \$1.0 million annually on the purchase of new furniture and required the Department to purchase remanufactured or refurbished furniture according to the Department's statewide contract. The House did not include this change. Conference concurred with Senate but removed the \$1.0 million limitation. (Sec. 803(5))
5. **Motor Vehicle Fleet.**  
(3) States legislative intent that the DMB has the authority to determine the appropriateness of vehicle assignments. The Governor removed subsection 3. The Senate concurred with the Governor. The House retained all subsections and added subsection (6) regarding the use of remanufactured parts for repairs. Conference deleted subsection 3 and added subsection 5 regarding remanufactured parts. (Sec. 813(5))
6. **Remanufactured Auto Parts.** The Senate added new language requiring the Department to use remanufactured parts whenever possible for the repair and maintenance of the State's fleet of motor vehicles, excluding the fleet for State Police. The House includes similar language in Sec 813(6) but does not exempt State Police. Conference concurs with Senate but moves language to Sec. 813(5).
7. **Contracting.** The Governor removed current year language (Secs. 814, 815, 816, & 817) regarding adoption of policies and procedures necessary for compliance with Section 261 of the Management and Budget Act (1984 PA 431). The Senate removed Sections 814 and 816 and revised Section 815 to a more condensed version. The House retained Sections 814, 816, and 817. Conference removed Sections 814, 815, and 816 and retained Section 817.
8. **Privatization of State Lottery Administration.** The Senate added new language requiring the Department to submit a report to the Legislature regarding the feasibility of privatizing the administration of the State Lottery. The House did not include this change. Conference concurred with Senate. (Sec. 822a)
9. **Contract Reporting Requirement.** The Governor removed the reporting requirement for any follow-on contracts or change orders entered into by the Department greater than \$25,000. Senate retained the report. House retained the report and changed the amount to \$50,000. Conference concurred with House. (Sec. 830)
10. **Asbestos Removal.** The Senate added new language providing up to \$1.5 million for the costs associated with the removal of asbestos from the former State Police Headquarters. The House did not include this change. Conference did not include this language but did include one-time funding in Section 1201.
11. **Health Savings Accounts.** The Senate added new language requiring the Civil Service Commission to submit a report by March 31, 2012, regarding the cost savings or increase of requiring all public employees and elected officials in the State to enroll in a health savings account benefit plan. The House did not include this change. Conference concurred with House.
12. **Office of Great Workplace Development.** Language prohibits use of any other funds for this office. The Governor and Senate removed section. The House retained the section. Conference concurred with Senate.
13. **Deletions.** In keeping with the condensed structure of the Governor's budget, the following current-year language sections and/or subsections were not included: 823(4), 827(4) however, carryforward language was retained, 828, 829, 830, 832, 840(4), 843, 850(1), 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The majority of these sections required the Department to provide either reports or notifications to the Legislature. The Senate concurred with the Governor in removing Sections 860, 861, 862, 865, 870, 871, 872, 873, 874, 875, and 876. The House retained the majority of these sections but concurred with the Governor in removing Sections 823(4), 827(4), 829, and 876. The Conference concurred with the House and included the retention of Sections 823(4), 827(4), and 829.



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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$1,951,331,700**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the House and Senate

- 1. **Debt Service.** The Governor increased debt service appropriations for general obligation environmental bond issues by \$83,295,200 GF/GP. The increase reflects the current payment structure including the impact of prior year debt restructuring. The Senate and House concurred. 83,295,200
- 2. **Presidential Primary.** The Governor provided \$10.0 million GF/GP for the 2012 presidential primary. The Senate and House concurred. 10,000,000
- 3. **Business Property Tax Appeal.** The Governor reduced the program from \$900,000 GF/GP to \$300,000 GF/GP. The Senate and House concurred. (600,000)
- 4. **Unclaimed Property.** The Governor increased funding by \$700,000 and 5.0 FTEs for on-going administrative costs. The Senate and House concurred. 700,000
- 5. **Senior Citizens Cooperative Housing Tax Exemption.** The Governor adjusted funding based on the projected cost of the program, realizing savings of (\$2,500,000) GF/GP. The Senate and House concurred. (2,500,000)
- 6. **Economic Adjustments.** Treasury economics (excluding MSF) total \$9,168,600. 9,168,600

Conference Agreement on Items of Difference

- 7. **Tax Plan Implementation.** Conference renamed the Michigan Business Tax line item as Tax Plan Implementation and added \$5,327,600 GF/GP. 5,327,600
- 8. **Payments in Lieu of Taxes (PILT).** The Governor proposed a 15% reduction consisting of (\$351,500) from Commercial Forest Reserve, (\$580,800) from Purchased Lands, and (\$934,100) from Swamp and Tax Reverted Lands. This would save (\$1,576,000) GF/GP and (\$290,400) State Restricted funds. The Senate concurred. The House made further reductions of (\$239,000) resulting in a 17.3% decrease. Conference concurred with the Senate (1,866,400)
- 9. **Administrative Reductions.** The Governor reduced all GF/GP-funded administrative lines. Savings totaled (\$905,500) GF/GP. The Senate concurred. The House made additional reductions of (\$749,400). Conference concurred with the Senate. (905,500)
- 10. **Tobacco Tax Enforcement.** The Senate added \$4,500,000 in restricted revenue for additional tobacco tax enforcement. The House did not include. Conference funded at \$3,000,000 from tobacco tax revenue. The Governor stated that the related boilerplate in Sec. 943 is unenforceable. 3,000,000
- 11. **Transferred Programs.** The Conference included the Governor's revised recommendation to implement E.O. 2011-4 by transferring the Michigan State Housing Development Authority and the Land Bank Fast Track Authority from Treasury to MSF. (228,954,100)
- 12. **Revenue Sharing.** Changes total (\$100,412,200). Revenue sharing highlight sheet is attached. (100,412,200)
- 13. **Michigan Strategic Fund (MSF).** Programs transferred in. MSF highlight sheet is attached. 742,972,700
- 14. **Other Changes.** Information technology economics, \$363,400; early retirement savings, (\$1,022,400); reduction in excess restricted fund authority in PILT, (\$513,000); workers' compensation, building occupancy charges, and rent adjustments, (\$75,000); Land Bank federal grants, \$1,000,000; removed one-time supplemental funding, (\$11,600,000), added 1.0 FTE Indian gaming auditor, \$90,200; and made fund source adjustments. Senate adjusted Business Property Tax Appeal economics, (\$50,400). The House included all except Business Property Tax Appeal economics. Conference concurred with House. (11,756,800)

Total Changes..... \$507,469,100

**FY 2011-12 Enacted Gross Appropriation..... \$2,458,800,800**

**Changes from FY 2010-11 Year to Date:**Conference Agreement on Items of Difference

1. **Notification of Bond Refinancing or Restructuring.** The Senate required that Treasury notify the appropriations committees 15 days prior to any refinancing or restructuring and provide information on changes in debt service schedules and the present value costs or savings. The House did not include. Conference required notification within 30 days after refinancing or restructuring. (Sec. 902a)
2. **Tax Collection Contracts.** The Senate retained a report on the cost of contracts with private collection agencies. The Senate increased the maximum charge for collection of contracts on defaulted student loans from 23% to 24.36%. The House deleted the report and maintained the fee cap at 23%. Conference concurred with the Senate. (Sec. 903)
3. **Michigan Transportation Fund Costs of Collection.** The Senate added requirements that these costs be determined by proration for FY 2011-12 only and required the Department to provide an analyses by April 1, 2012 of the actual costs of tax administration in order to justify continuation of the proration approach. The House deleted the report on costs of collections. The Conference concurred with the Senate. (Sec. 922)
4. **Public Private Partnership Investment Fund.** The Governor deleted provisions that prohibited the fund and appropriations in Part 1 from supporting any work related to the Detroit River International Crossing and deleted the annual report requirements. The Senate retained and modified to apply to DRIC or any successor project unless it is approved by the Legislature and signed into law, and required Treasury to fund the line by legislative transfer from an existing line, if necessary. The House retained current year prohibitions. The Conference concurred with the Senate. (Sec. 925 and 925a)
5. **Tobacco Tax Enforcement.** The Senate directed the use of the tobacco tax enforcement appropriation for a new stamp indicia and reimbursement of licensed tax stamp agents for costs associated with the new stamp, including machines and scanners approved by Treasury. The House did not include. The Conference concurred with the Senate. In his signing message, the Governor stated that this section is unenforceable. (Sec. 943)
6. **Assessment Administration.** The Senate deleted and the House retained permissive language on the review of local assessment practices. The Conference concurred with the House. (Sec. 945)
7. **Beverage Container Redemption Antifraud Program.** The Senate directed the use of remaining funds to counties north of the border counties. The House deleted. The Conference concurred with the House. (Sec. 949)
8. **Lottery Promotion Limitation.** The Senate deleted the prohibition against marketing the lottery to persons under 18. The House retained. The Conference concurred with the Senate. (Sec. 961)
9. **Lottery Privatization Report.** The House added a requirement for the Bureau of Lottery to report by July 1, 2012 on costs and savings from privatizing lottery administration. The Senate required a similar report from the Department of Technology, Management and Budget by April 1, 2012. Conference concurred with the Senate. (Sec. 822a)
10. **Gaming - Horse Racing.** The Senate reduced the reward limit for information helping obtain convictions for crimes involving the racing industry from \$5,800 to \$5,000 and updated for 2012 requirements on the contingent distribution of the purse pool if no race meets are held. The House maintained the current reward amount and deleted the section on distribution of the purse pool. The Conference concurred with the Senate on reward amount and deleted contingent distribution of the purse pool which duplicates language in the Agriculture budget. (Sec. 977)
11. **Michigan Strategic Fund Boilerplate.** See separate highlight sheet.
12. **Revenue Sharing Boilerplate.** See separate highlight sheet.

Date Completed: 6-30-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$1,059,391,500**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the House and Senate

1. **Constitutional Revenue Sharing.** The Governor estimated that revenue sharing payments to cities, villages, and townships (CVTs) pursuant to the Constitution will total \$658,979,300 in FY 2011-12, an increase of \$15,232,400 from the January consensus estimate for FY 2010-11 payments. Constitutional revenue sharing totals 15% of sales tax collections at a 4% rate. These funds are distributed to CVTs in an equal amount per capita, adjusted so that institutional populations are counted at 50%. FY 2010-11 payments will be adjusted based on the new population data from the 2010 census, causing changes in local unit payments. The Senate and House concurred. 15,232,400
  
2. **Statutory Revenue Sharing for CVTs.** The Governor eliminated this program for CVTs. Prior year appropriation reductions eliminated statutory revenue sharing payments to 1,240 CVTs for FY 2010-11. The year-to-date estimate for the cost of this program is \$300,903,900. Since FY 2007-08, boilerplate formulas have determined payments. The Senate and House concurred. (300,903,900)
  
3. **County Revenue Sharing.** The Governor proposed funding revenue sharing payments to counties at \$100,000,000 in FY 2011-12, an amount that is (\$51,800,000) or (34.1%) under the amount required by the statutory formula. Under current law, total payments to counties would increase in FY 2011-12 due to additional counties exhausting their revenue sharing reserve funds and re-entering the county revenue sharing program and other counties receiving full year funding under the program. When compared to FY 2010-11, the Governor's proposal is (\$14,740,700) under the year-to-date appropriation. The Senate and House concurred on the amount of funding. The Conference added one-time funding which is listed below. (14,740,700)
  
4. **Economic Vitality Incentive Program (EVIP).** The Governor recommended \$195.0 million for a revenue sharing program for CVTs with eligibility based on adoption of best practices. The remaining \$5.0 million would be for grants to CVTs and counties for consolidation of services. The Senate and House concurred on the funding amount. The Conference added one-time funding which is listed below. 200,000,000

Conference Agreement on Items of Difference

5. **FY 2011-12 One-Time Appropriations.** The Conference provided additional one-time funding of \$30.0 million consisting of \$15.0 million for the EVIP and \$15.00 million for county revenue sharing.

Total Changes..... (\$100,412,200)

**FY 2011-12 Enacted Gross Appropriation..... \$958,979,300**

**Changes from FY 2010-11 Year to Date:**Conference Agreement on Items of Difference

1. **Economic Vitality Incentive Program.** The Senate's maximum distribution under this program to CVTs shall not exceed the lesser of 81.88% of the combined statutory and constitutional revenue sharing received in FY 2010-11 or the amount determined by applying a percentage determined by dividing the sum of all payments under constitutional revenue sharing in FY 2011-12 and statutory revenue sharing by \$853,979,300 and then subtracting 0.1812. A CVT with a calculated amount less than \$6,000 would not be eligible. An eligible CVT could receive one-third of their total payment for meeting each of the following criteria: Creating a performance dashboard and citizen's guide to its finances. Creating a cooperation, collaboration, and consolidation plan. Developing a compensation plan that the CVT intends to implement with any new, modified, or extended contract. The compensation plan would be required to indicate intent to:

- Limit retirement plan costs to 10% of wages and salaries of employees in the plan.
- Require that any pensions be paid based on a final average compensation calculated using at least 3 consecutive years of salary; that limited the amount of paid leave time, vacation time, and overtime hours used to calculated final average compensation to no more than 240 hours; and included other measures determined by the CVT.
- If a health care plan is offered, state intent that employees pay at least 20% of the cost.

Undistributed funds would be deposited in the Budget Stabilization Fund.

Under the House proposal, each CVT would be eligible to receive up to 62.96% of its statutory revenue sharing payment in FY 2009-10. The distribution would be in three parts: one-third based on publication of a guide to local finances and dashboard similar to the Senate proposal and one-third for a consolidation plan similar to the Senate proposal, however, a one-sixth payment would be available in each category for later completion of the projects. The House required that if a retirement plan is offered, the compensation plan should indicate intent to place new employees in a plan that is, at a minimum, cost competitive with the retirement plan offered to new State classified employees. Employees on a defined benefit plan would have a limited multiplier of up to 1.5 for those eligible for social security benefits and up to 2.0 for those ineligible for social security. CVTs would be required to indicate intent to use a multiyear income average in the calculation of pensions, and to limit the inclusion of paid leave, vacation time or overtime hours used to determine final average compensation. Health care costs must be cost competitive with the new State preferred provider organization health plan and HMO plan for new State classified hires after April 1, 2010. Undistributed funds would be prorated and paid to recipient CVTs.

Conference based maximum payments to CVTs on FY 2009-10 statutory revenue sharing amounts. Eligible CVTs must have a FY 2009-10 statutory payment over \$4,500. FY 2011-12 maximum payments would be 67.837363% of the FY 2009-10 statutory payment. CVTs would receive 1/3 of the total payment for complying with each of the three categories: citizen's guide & dashboard; cooperation & consolidation plan; and compensation plan. The compensation plan would require intent to implement a plan that caps employer contributions for retirement at 10% of salary (or 16.2% if not eligible for social security); limits healthcare costs for new employees by requiring a 20% employee contribution toward the premium or a plan that is cost-competitive with the State preferred provider plan; sets parameters on the calculation of final average compensation; and limits retirement plan multipliers for defined benefit plans for employees eligible for social security to 1.5% (or 2.25% if no retirement health care is provided). Limits the multiple for employees not eligible for social security to 2.25% (or 3.0% if no retiree health care is provided). CVTs would have to certify compliance and submit copies of plans to Treasury. Any unused balances would go into a work project to be used (in addition to the \$5.0 million appropriated) for consolidation grants to CVTs and counties based on a grant process determined by the Department of Treasury. Including one-time funds, appropriations for this incentive program total \$210.0 million in FY 2011-12. (Sec. 951)

2. **County Revenue Sharing.** Conference specified that the one-time funding shall be spent in accordance with the Glenn Steil Revenue Sharing Act. Including one-time funds, appropriations for county revenue sharing total \$115.0 million in FY 2011-12. (Sec. 955)

Date Completed: 6-30-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$165,846,200**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the House and Senate

1. **Innovation and Entrepreneurship.** The Governor proposed using \$25.0 million from the 21<sup>st</sup> Century Jobs Trust Fund for this new program. The Senate and House concurred. 25,000,000
2. **Pure Michigan.** The Governor recommended funding tourism promotion at \$25.0 million solely from the 21<sup>st</sup> Century Jobs Trust Fund. The Senate and House concurred. 25,000,000
3. **Quality of Place and Talent Enhancement.** The Governor proposed using \$5.0 million GF/GP for a program to retain young adults in Michigan. The Senate and House did not include. 0
4. **Jobs for Michigan Investment Program: 21<sup>st</sup> Century Jobs Fund.** The Governor eliminated this line item for 21<sup>st</sup> Century programs and redirected the funds to Pure Michigan and to fund proposed new programs for Business Attraction and Economic Gardening and Innovation and Entrepreneurship. The Senate and House concurred. (75,000,000)
5. **Economic Adjustments.** The Governor recommended economics of \$968,900 Gross including \$881,000 GF/GP. 968,900
6. **Other Changes.** The Governor, Senate and House adjusted revenue estimates for private revenue and an IDG, removed one-time funding for the Detroit Institute for the Arts of (\$10,000,000), recognized early retirement savings of (\$543,000), reduced spending authority for Federal funds by (\$6,000,000), and eliminated (\$5,402,800) GF/GP for promotion. (22,489,400)

Conference Agreement on Items of Difference

7. **Business Attraction and Economic Gardening.** The Governor proposed replacing business tax credits with this new incentive program funded by \$25.0 million GF/GP and \$25.0 million from the 21<sup>st</sup> Century Jobs Trust Fund. The Senate and House funded at \$25.0 million from 21<sup>st</sup> Century Jobs Trust Fund. Conference added \$25.0 million GF/GP and one-time funding described below. 50,000,000
8. **Film Incentive Program.** The Governor recommended using \$25.0 million GF/GP to provide incentives for the film industry and replace the existing Michigan Film Tax Credit. Currently the cost of the Michigan Film Tax Credit is not appropriated. The Senate funded at \$10.0 million from proposed Tobacco Tax Enhanced Enforcement Revenue. The House did not include. The Conference funded as a one-time item described below. 0
9. **Michigan State Housing Development Authority (MSHDA).** Conference transferred MSHDA funding and 289.0 FTEs from Treasury to MSF (within Treasury) pursuant to E.O. 2011-4. MSHDA remains in a separate unit in the bill. 225,973,100
10. **Workforce Development Agency.** Conference transferred to MSF funding and 358.0 FTEs for programs including Welfare-to-Work, Workforce Investment Act, post-secondary education, adult education, and GEAR-UP pursuant to E.O. 2011-4. 505,765,800
11. **Other Transferred Programs.** Conference included funding and 18.0 FTEs for Land Bank Fast Track Authority and Bureau of Energy Assistance pursuant to E.O. 2011-4. 8,434,400
12. **Pre-college Engineering Programs.** Conference made a boilerplate allocation of \$680,100 from an unspecified appropriation to these programs in Detroit and Grand Rapids to increase student involvement in Science, Math, and Engineering. **The Governor vetoed this item. The veto reduced the line item for Workforce Training Programs by (\$680,100) Federal.** (680,100)
13. **FY 2011-12 One-Time Appropriations.** Conference included \$50.00 million GF/GP for Business Attraction and Economic Gardening and \$25.0 million GF/GP for a Film Incentive Program.

Total Changes..... \$742,972,700

**FY 2011-12 Enacted Gross Appropriation..... \$908,818,900**

**Changes from FY 2010-11 Year to Date:**Conference Agreement on Items of Difference

1. **21<sup>st</sup> Century Jobs Trust Fund Reappropriation of Work Project.** The House included the Governor's proposed reappropriation of up to \$75.0 million remaining from the \$75.0 million appropriated in FY 2007-08 for the Jobs for Michigan Investment Program: 21<sup>st</sup> Century Jobs Fund. The funds would be used for the original purposes and remain available until September 30, 2016. The Senate did not include. Conference limited work project to \$5.5 million, the estimated amount of funds remaining from the FY 2007-08 appropriation. (Sec. 1021)
2. **Small Business Innovation Research/Small Business Technology Transfer Program.** The Senate allocated not less than \$1.0 million from the Innovation and Entrepreneurship line to support this matching grant program. The House did not include. Conference concurred with the House. (Sec. 1024)
3. **Business Attraction and Economic Gardening.** The House required that the MSF Board grant 85% of the \$25.0 million appropriated for Business Attraction and Economic Gardening for brownfield redevelopment incentives and historic preservation incentives. The Senate did not include. The Conference required at least \$20.0 million of the \$100.0 million appropriated to be used for brownfields and historic preservation. (Sec. 1024)
4. **Spending Plan Report.** The Senate required the MSF to report by January 15, 2012 on the spending plan for the new line items for innovation and entrepreneurship and business attraction and economic gardening. The House did not include. The Conference required the report by April 15, 2012. (Sec. 1031)
5. **Business Incubators.** The Senate funded six incubators or accelerators in the following localities: Houghton, Kent, Macomb, Oakland, and Washtenaw counties and Detroit. Recipients would receive at least \$500,000 and no more than \$2.0 million. The program would be allocated from the line item for Innovation and Entrepreneurship. The House did not include. The Conference added to the Senate plan an incubator in Midland County that is a satellite site of an incubator in Isabella County.(Sec. 1034)
6. **Pre-College Engineering Program.** The Conference directed MSF to allocate an amount not to exceed \$680,100 from appropriations in Part 1 for the Detroit and Grand Rapids Pre-College Engineering Program. (Sec. 1053) ***The Governor vetoed this section.***
7. **Transferred Boilerplate.** The Conference included boilerplate related to Career Development, Workforce Development, and MSHDA that was transferred from the budget for Licensing and Regulatory Affairs. Conference retained the No Worker Left Behind Report (Sec. 1068), the Education Advisory Committees (Sec. 1061), House language on services to veterans (Sec. 1062), report on Federal carry-forward balances (Sec. 1063), and allocations for two job training programs (Sec. 1064).
8. **Michigan Works! Agencies (MWAs) Allocations to Libraries.** Current year language allowed MWAs to allocate funds to libraries that serve as access points, service centers, or local partners. House retained. Senate included placeholder allocation of \$100. Conference required that a portion of MWA funds be utilized for services provided by libraries. (Sec. 1065)

Date Completed: 7-27-11

Fiscal Analyst: Elizabeth Pratt



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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$6,948,915,700**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **One-Time Revenues and Fund Shifts.** The Senate and House concurred with the Governor's proposed readjustments, including the loss of one-time Federal funding. (12,760,700)
- 2. **Increases in the Child Welfare Program.** The Senate and House concurred with the Governor's proposed spending in the Child Welfare unit for the CRI settlement. 73,996,800
- 3. **FIP 48-Month Time Limit.** The Senate and House concurred with the Governor's plans to set a maximum time limit for cash assistance. (77,400,000)
- 4. **Program Increases and Reductions.** The Senate and House concurred with several of the Governor's program cuts, including JET-Plus and Zero to Three. Both agreed to increases, including Federal grants and outstationed eligibility workers. (30,921,000)  
*Governor vetoed \$25,000 for Juvenile Justice System.*
- 5. **Economic Adjustments.** Senate/House recognized Gov.'s recommended economic adjustments. 19,102,700
- 6. **Other Changes.** The Senate and House rejected the Governor's recommended line-item roll-ups. Both also agreed to the Governor's other proposed changes in staff reductions. (15,949,800)

Conference Agreement on Items of Difference

- 7. **Family Independence Program.** The Senate concurred with the House plans to reduce the FIP clothing allowance, to increase the Earned Income Disregard and to recognize new savings. (7,371,000)
- 8. **Disability Assistance.** The Senate and House reduced the monthly payment for State Disability Assistance from \$269 to \$200 for new applicants and rejected the Governor's 7.0 new FTEs. (5,349,900)
- 9. **Child Development and Care.** The Senate and House reduced program funding to CDC and the ECIC. The amount shown includes the Governor's adjustments. An interdepartmental grant was provided to the background check in LARA through part of the hourly cut. (27,159,200)
- 10. **Juvenile Justice Facilities.** The Senate and House agreed with an alternative proposal to keep Shawono Center open and to reduce funding for all three facilities. The funding change represents a reduction from the FY 2010-11 spending plan. (2,224,800)
- 11. **Adoption Services and Subsidies.** The Senate and House increased adoption service provider rates by an additional 21%, and provided adoption subsidies for special needs. 5,013,300  
*Governor vetoed \$4,250,000 for adoption subsidies.*
- 12. **Other Senate Proposals.** The House agreed to changes in addition to the Governor to reduce indigent burial, to maintain Family Preservation, Michigan 2-1-1, SER, and Employment and Training, and to grant \$100,000 to the Chaldean Community Foundation. (4,809,200)
- 13. **Other House Proposals.** The Senate agreed to maintain funding for volunteer reimbursements, other staffing, MCSC, and other standard administrative functions, as well as to reject the Governor's proposed \$25 child support fee and to increase the OIG. (1,257,900)
- 14. **Caseload Consensus.** The Conference proposal includes the May caseload adjustments. (34,395,100)

Total Changes..... (\$121,485,800)

**FY 2011-12 Enacted Gross Appropriation..... \$6,827,429,900**

**Changes from FY 2010-11 Year to Date:**Items Included by the Senate and House

1. **General Sections.** Both the Senate and House included standard boilerplate language and language that leadership had requested, including language to recognize the FY 2012-2013 anticipated appropriation. (Sec. 201, 202, 203, 206, 207, 208, 209, 211, 212, 214, 228, 229, 1201)
2. **Retention of Current Law.** The Senate and House both retained multiple sections of boilerplate from the current budget, some with minor revisions. (Sec. 204, 274, 508(1 and 5), 588, 708(1), 717)
3. **Elimination of Current Law.** The Senate and House concurrently agreed to strike several sections of boilerplate from the current budget. (Sec. 295, 505, 514)

Conference Agreement on Items of Difference

4. **General Agreement.** The House concurred with Senate decisions on 99 boilerplate issues and the Senate concurred with the House on 90 items. Some outstanding differences were resolved with revised or new language.
5. **FIP Clothing Allowance.** The Senate concurred with the House allocation of \$2,880,000 and eliminated language requiring a clothing voucher program. (Sec. 669)
6. **FAP Eligibility for Felons.** The Senate agreed with House language to restrict eligibility for drug felons with multiple convictions pending Federal authorization. (Sec. 619)
7. **Indigent Burial.** The House concurred with new Senate language that limits reimbursements to cases when the deceased has not been claimed. (Sen. 613)
8. **Eligibility Privatization.** The Senate and House revised Senate language to require the Department to create a work group to review Medicaid eligibility privatization. Privatization of day care eligibility was removed. (Sec. 620 & 674)
9. **Child Support Fees.** The Senate concurred with the House to reject the Governor's \$25 child support fee increases, and eliminated language to allow employers to charge a \$2 fee processing fee (Sec. 10-304 & 912)
10. **Child Development and Care.** New. Child care payments were revised to reflect new hourly reductions and improvements in the error rate, and eliminated language on the Great Start Collaboratives. (Sec. 680)
11. **State Emergency Relief and Energy Programs.** New. Required the Department to develop a work group to identify the most efficient way to allocate state emergency relief and energy assistance. (Sec. 1103)
12. **State Disability Assistance.** The Senate concurred with the House eligibility requirements for SDA so that caregivers and those who were not SSI eligible could receive benefits. (Sec. 604)
13. **Adoption and Foster Care.** New. Allocated \$4,250,000 to allow adoptive parents to claim subsidies for special needs children up to a year after an adoption has been finalized. (Sec. 556). **Vetoed by the Governor.**
14. **FIP Income Disregard.** The Senate agreed with the House to increase the disregard. (Sec. 651)
15. **Elder Law of Michigan.** The Senate concurred with the House to reinstate program funding. (Sec. 423)
16. **Supervisor-to-Staff Ratios.** Senate language was revised to require the Department to work toward a 1:12 supervisor-to-staff ratio. (Sec. 298)
17. **SACWIS.** New. Department language to designate matching funding for IT improvements. (Sec. 294)
18. **TANF Contingency Funding.** New. Language required the Department to use TANF contingency to increase the FIP earned income disregard or to reform policies to improve the State's work participation rate. (Sec. 231)
19. **Employment Training and Services Policy.** New. Required the Department to reduce fraud in car repairs and purchases. (Sec. 425)
20. **Juvenile Justice Secure Treatment Privatization.** New. Required the Department to develop a work group to study the feasibility of contracting out secure treatment beds. (Sec. 724)
21. **Juvenile Justice Study.** A study by the Michigan Public Health Institute. (Sec. 717). **Vetoed by the Governor.**

Date Completed: 6-30-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$260,358,800**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **Elimination of Judgeships.** Both Senate and House anticipated the elimination of 6 trial court judgeships around the State. The State Court Administrative Office is still in the process of identifying the judgeships targeted for elimination. In addition, the Senate and House anticipated that 2 recent vacancies on the Court of Appeals will be left vacant during FY 2011-12. (1,284,700)
  
- 2. **Temporary Elimination of Judgeships.** Pursuant to PA 228 of 2009, the Senate and House included savings associated with the temporary elimination of two Circuit Court Judgeships – one in Oakland County, the other in Macomb County. The Oakland County judgeship is scheduled to be reinstated on January 1, 2015; the Macomb County Judgeship is scheduled to be reinstated on January 1, 2017. (69,900)
  
- 3. **Early Retirement Savings.** The Senate and House recognized full-year savings related to early retirements finalized during the first quarter of FY 2010-11. (1,019,500)
  
- 4. **Correction of Court Equity Fund revenues.** The Senate and House adjusted the appropriation of Court Equity Fund revenues in order to more accurately reflect revenues available to the fund. (3,959,600)
  
- 5. **Elimination of IDG from Corrections.** The Senate and House eliminated a \$1.0 million grant from the Department of Corrections for expenses related to the operation of state drug courts. This funding was replaced with the introduction of an additional \$1.0 million in GF/GP. 0
  
- 6. **Economic Adjustments.** The Senate and House included standard economic adjustments to account for increases in insurance and retirement economics and other related costs. 1,948,100

Conference Agreement on Items of Difference

- 7. **New IDG from Corrections.** Conference included a new, \$1.0 million interdepartmental grant from the Department of Corrections for the administration of a 'swift-and-sure' sanctions pilot program. 1,000,000

Total Changes..... (\$3,385,600)

**FY 2011-12 Enacted Gross Appropriation..... \$256,973,200**

**Changes from FY 2010-11 Year to Date:**Items Included by the Senate and House

1. **Deletions.** The Senate and House deleted a language section requiring a transfer of funds from the Juror Compensation Reimbursement Fund to the Court Equity Fund. (Sec. 223)
2. **Legal Self-Help Resources.** New Senate and House language expresses legislative intent that the judicial branch support a statewide legal self-help web site and local nonprofit self-help centers that use the statewide website to provide assistance to persons representing themselves in civil legal proceedings. (Senate Sec. 321; House Sec. 322)

Conference Agreement on Items of Difference

3. **Judiciary Drug Court Grant.** Conference included language specifying the parameters of additional Federal funding that may be available to the Judiciary during FY 2011-12. In particular, the language references the potential availability of additional funding from the U.S. Department of Transportation – National Highway Traffic Safety Administration. (Sec. 311(5))
4. **IDG from Corrections.** Conference includes Senate language setting the parameters of a new interdepartmental grant from the Department of Corrections for a "swift-and-sure" sanctions pilot program. (Sec. 320)
5. **State Appellate Defender Office Byrne Formula Grant.** Conference adopted House language dictating that if Byrne Formula grant funding is awarded to the State Appellate Defender Office (SADO), SADO may receive and expend funding not exceeding \$750,000 as an IDG from the Department of State Police for specified projects. (Sec. 322)

Date Completed: 6-22-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$1,277,823,200**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **Administrative Reductions.** Governor/House/Senate included various admin. reductions. (1,129,900)
- 2. **Tax Tribunal.** The Governor, House and Senate included funding for additional contract hearing officers to help with the tax appeal backlog. 150,000
- 3. **OFIR – Credit Union Exams and Securities Program.** The Governor, House and Senate included additional funding to help meet statutory credit union exam cycle requirements as well as new Federal requirements under Dodd-Frank. 556,000
- 4. **Economic Adjustments.** 17,283,900
- 5. **Other Changes.** Includes technical adjustments, support for the Michigan Business One-stop, retirement savings, additional funding for the private occupational school licensure, and funding for real estate continuing education requirements. (20,470,800)

Conference Agreement on Items of Difference

- 6. **Office of Communications.** The House reduced this program by \$100,000 and included boilerplate prohibiting the Department from producing television shows. The money was moved to UIA administration. The Conference included this change as well as the boilerplate (item 6 on back). 0
- 7. **Bootlegging Enforcement.** The House and Conference eliminated 6.0 FTEs and \$1.0 million in Liquor Purchase Revolving Funds for enhanced bootlegging enforcement. (1,000,000)
- 8. **Fire Protection Grants.** Governor and Senate reduced grants by \$1,636,600; the House reduced them by \$2,410,500. The Conference used the Governor and Senate reduction. (1,636,600)
- 9. **Unemployment Insurance Special Fraud Control Fund.** The House and Conference included additional funding for UI fraud control per 2010 PA 14. 1,000,000
- 10. **Adult Foster Care Homes – Background Checks.** The Governor and House removed funding for these checks. The Senate retained current-year funding. The Conference included an IDG from DHS, LPRF, and GF/GP funding for this program. (174,000)
- 11. **Health Facilities Fees.** The Governor and Senate included increased fees. The House and Conference maintained current-year funding. 0
- 12. **Liquor Control Commission – IT.** The House included \$1.0 million for upgrades to LCC purchase and merchandising systems. The Conference included a \$100 placeholder. 100
- 13. **Worker's Compensation Appellate Commission.** The Governor issued Executive Order 2011-6 which abolished this commission and established the Michigan Compensation Appellate Commission. The Conference included this change. (508,500)
- 14. **Transition to DLARA.** The Governor issued Executive Revision FY 2012-3 which detailed the transition of DELEG in to DLARA. The Conference included these changes. (460,323,000)
- 15. **Mining Industry Training.** Senate & Conference included \$80,000 set aside from Consultation, Education and Training grants. ***This section was vetoed by the Governor.*** (80,000)

Total Changes..... (\$466,172,800)

**FY 2011-12 Enacted Gross Appropriation..... \$811,490,400**

**Changes from FY 2010-11 Year to Date:**Items Included by the Senate and House

1. **Out-of-State Travel.** The House and Senate retained a section restricting out-of-State travel by department employees. (Sec. 217)
2. **Construction Lien Fund.** The House and Senate included language allowing the Department to make payments for court-ordered judgments from this fund. (Sec. 380)
3. **Non-Confidential Information Listings.** The House and Senate included language allowing the Department to charge reasonable fees for creating customized listings of non-confidential information for those licensed by the Department. (Sec. 304)

Conference Agreement on Items of Difference

4. **Standard Sections.** The Conference included several sections that were included in most budget bills as part of the target agreement. (Sec. 201, 202, 203, 223, 231, 208, 209, 211, 212, 214, 215, 226, 234, and 1201)
5. **Outside Legal Counsel.** The House and Conference retained a section prohibiting the Department from obtaining legal services that are the responsibility of the Attorney General. (Sec. 221)
6. **Cable TV Productions.** The House and Conference included a new section prohibiting the Department from producing TV shows. (Sec. 232)
7. **Fire Protection Grants – Local Reports.** The Conference included new language requiring certain information from local Fire Protection Grant recipients as a condition of receipt. (Sec. 301)
8. **Rule Promulgation.** The House and Conference included a new section prohibiting new rules from being promulgated that are more stringent than Federal standards unless authorized by statute. (Sec. 341)
9. **CET Earmark.** The Senate and Conference included a section which earmarks \$80,000 in Consultation Education and Training grants for the mining industry in Michigan. (Sec. 342)
10. **Regulatory Costs Report.** The House and Conference included a section requiring a report on revenue and statistics for the Department's regulatory program. (Sec. 368)
11. **Tax Tribunal Report.** The House and Conference included a section requiring a report on cases heard, cases decided, and other information on the Tax Tribunal. (Sec. 390)
12. **Medical Marihuana Reports.** The Senate and Conference included sections requiring a report on various information and statistics regarding the Medical Marihuana program. A report on the sufficiency of program fees was also required. (Sec. 726)
13. **Outsource Medical Marihuana Administration.** The Senate and Conference included a requirement that the Department establish a bid process for the takeover of medical marihuana program administration. (Sec. 727)
14. **Nursing Home Complaint Deficiencies.** The Senate and House included a section requiring the Department to identify and offer training on its most frequent complaint deficiencies. (Sec. 718)
15. **Vocational Rehabilitation Match Requirement.** The House and Conference retained a section establishing 21.3% as the maximum local match requirement for vocational rehabilitation facilities establishment grants.
16. **Bureau of Health Systems Report.** The Conference included a new section requiring a report on various statistics of facilities licensed by the Bureau. (Sec. 731)
17. **Investigations of Health Care Professionals.** The Senate and Conference included a section requiring the Department to give priority to investigations into instances alleged to have occurred within two years of the initial complaint.

Date Completed: 6-24-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$150,042,900**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- |  |             |
|--|-------------|
| 1. <b>Grand Rapids Home Contractual Employees.</b> The Governor, Senate, and House recommended the contracting out of 171 resident care aides positions currently under State employee status, an action estimated to save \$4.2 million GF/GP for FY 2011-12. | (4,200,000) |
| 2. <b>Increase Firefighting Resources at Military Training Sites.</b> The Governor, Senate, and House included Federal funds (along with 18.0 FTEs) to increase firefighting readiness at the Alpena and Battle Creek training sites.                          | 2,500,000   |
| 3. <b>Military Retirement.</b> The Governor, Senate, and House added GF/GP funds to pay for anticipated payments to retired Michigan Army and Air National Guard per P.A. 150 of 1967.   | 200,000     |
| 4. <b>Camp Grayling Demolition Range.</b> The Governor, Senate, and House recommended additional Federal funds to create a light demolition range at the Camp Grayling National Guard training site.   | 1,700,000   |
| 5. <b>Land Acquisition Adjustment. The Governor, Senate, and House reduced funding to reflect actual required restricted revenue.</b>  | (500,000)   |
| 6. <b>Early Retirement Savings from FY 2010-11.</b>  | (204,000)   |
| 7. <b>Economic Adjustments.</b> The Governor, Senate, and House included \$2,824,900 Gross and \$820,400 GF/GP. For DIT, a total of \$19,700 Gross and \$3,800 GF/GP.  | 2,844,600   |

Conference Agreement on Items of Difference

- |   |         |
|---|---------|
| 8. <b>Challenge Program.</b> The Conference added additional school aid revenue to the program.   | 100,000 |
| 9. <b>Section 1 Format.</b> The House bill featured a traditional line-item format, per FY 11. The Senate used an outcome based format. The Conference provided a hybrid between the two formats. | 0       |

**Total Changes..... \$2,440,600**

**FY 2011-12 Enacted Gross Appropriation..... \$152,483,500**

**Changes from FY 2010-11 Year to Date:**Conference Agreement on Items of Difference

1. **Civil Service 1% Charge** (House). Not Included
2. **Hiring Freeze** (House). Not Included
3. **Internet Posting of Expenditures** (House). Sec 207
4. **Requires all Reports to be on Internet** (House). Sec. 208
5. **Requires Retention of Records** (House). Sec. 212
6. **Allows for IT Charges** (House). Sec. 214
7. **Designates IT Projects as Work Projects** (House). Sec. 211
8. **Out of State Travel Guidelines** (House). Not Included
9. **Requires Notice Prior to Property Sale** (Senate). Sec. 223
10. **Schedule of Programs Disclaimer.** (Sec. 216)
11. **Prohibits Exclusion of Unions From Bid Process** (Senate). Sec. 227
12. **Requires Co-location of Facilities** (House). Sec. 226
13. **Report on Restricted Revenues.** (Sec. 229)
14. **Requires Assistance to County Counselors for Training** (Senate). Sec. 404
15. **Incentives to Increase County Counselors** (Senate). Sec. 404
16. **List of IDGs** (Senate). Sec. 204
17. **Improvements in Budget Efficiency** (Senate). Sec. 217
18. **Use for GF/GP Savings** (Senate). Sec. 218
19. **Requires Quarterly Meetings with Department** (Senate). Sec. 219
20. **Requires Various Program Data Reports** (Senate). Sec. 220
21. **Administrative and Fiscal Controls** (Senate). Sec. 301
22. **Operation of Armories** (Senate). Sec. 302
23. **Army Guard Readiness** (Senate). Sec. 303
24. **Army Guard Training Centers** (Senate). Sec. 304
25. **Readiness of Air Guard** (Senate). Sec. 305
26. **Air Guard Base Operations** (Senate). Sec. 306
27. **Core Services** (Senate). Sec. 222
28. **Requires Grant Recipients under Sec. 401 to Report Number of VA Claims Filed** (Senate). Sec. 221
29. **Requires Advice, Advocacy and Assistance to Veterans** (Senate). Sec. 401
30. **Veterans Trust Fund Operations** (Senate). Sec. 402
31. **Military Family Relief Fund** (Senate). Sec. 403
32. **Michigan Youth Challenge** (Senate). Sec. 405
33. **State Veterans' Homes** (Senate). Sec. 501
34. **Provides for Anticipated FY 2012-13 Appropriations** (Senate). Sec. 1201

Date Completed: 6-27-11

Fiscal Analyst: Bruce Baker



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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$323,302,700**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **Mackinac Island State Park.** The Governor, Senate and House removed GF/GP support for this program and replaced it with Park Endowment Fund revenue, which would save \$1,561,900 GF/GP. Park Endowment Funds for this program would be appropriated in the same line as the other State parks. 0
- 2. **Historical Programs.** The Governor, Senate and House rolled these programs into a single "schedule of programs" line as well as reducing GF/GP funding and 2.0 FTEs. (253,100)
- 3. **Natural Resources Heritage.** The Governor, Senate and House eliminated GF/GP support for the endangered species studies conducted by the MSU Extension. (124,400)
- 4. **Administrative Reductions.** The Governor, Senate and House included GF/GP reductions to various administrative programs. (184,700)
- 5. **Recreation Passport Revenue.** The Governor, Senate and House included increases in spending to various recreation programs due to expected new revenue from the Recreation Passport. These programs include: State Parks, Forest Recreation, and local grants. New revenue estimates are based on an assumed 30% participation rate in the Passport program. 3,114,000
- 6. **Economic Adjustments.** DTMB Economics: \$216,900 Gross, \$26,000 GF/GP. 6,723,900
- 7. **Other Changes.** Other changes include various GF/GP reductions, adjustment from FY 2009-10 retirement incentives, and capital outlay adjustments. (2,410,100)

Conference Agreement on Items of Difference

- 8. **Captive Cervid Fees.** The Governor recommended increasing license fees for captive cervidae (deer, elk, etc.) facilities. This increase would allow the program to fund itself and no longer require \$115,000 GF/GP appropriation. The House and Senate did not include revenue from these fees; the Senate did make the GF/GP reduction, the House retained current-year funding. The Conference maintained current-year funding. 0
- 9. **GF/GP Reductions.** The House included \$226,800 in GF/GP reductions. The Conference did not include these reductions. 0
- 10. **Cormorant Population Control.** The Senate included \$100,000 for this program, a \$50,000 increase from the current year. The House removed the appropriation entirely. The Conference included \$100,000. 50,000
- 11. **Freedom Trail Commission.** The Governor and Senate removed funding for this program. The House retained a \$100 placeholder. The Conference removed the item. (22,500)
- 12. **FY 2011-12 One-Time Appropriations.** The Senate included \$2.5 million from the State Waterways Fund for a new breakwall at the Grand Marais harbor. The House included a \$100 placeholder. The Conference included \$4.0 million GF/GP for this project.

Total Changes..... \$6,893,100

**FY 2011-12 Enacted Gross Appropriation..... \$330,195,800**

**Changes from FY 2010-11 Year to Date:**Items Included by the Senate and House

1. **Land Transactions Report.** The Governor removed, and the House, Senate and Conference restored a section requiring this report. (Sec. 308)
2. **Livestock Indemnification Payments.** The Governor removed, and the House, Senate, and Conference restored a section requiring these payments. (Sec. 402)

Conference Agreement on Items of Difference

3. **Standard Boilerplate Sections.** The Conference included several sections that were included in most budgets as part of the target agreement. (Sec. 201, 202, 203, 215, 234, 205, 210, 216, 217, 208, 212, 220, 222, 1101, and 1201)
4. **Travel Restrictions.** The Governor and Senate removed, and House restored sections restricting out-of-state travel by the Department. The Conference removed these sections.
5. **Historical Program Fees.** The Governor and House removed language that prohibits the Department from charging admission fees to minors at the Michigan Historical Museum. The Senate and Conference included this prohibition with the caveat that revenues must be high enough to support excluding children. (Sec. 306)
6. **Oil and Gas Lease Report.** The Senate included new language requiring a report on oil and gas leases. The Conference included this report with slight modifications from the Senate version. (Sec. 309)
7. **Dam Certification.** The House included new language prohibiting the Department from impeding the certification process for dams. The Conference included this section. (Sec. 502)
8. **State Forest Campgrounds.** The House and Senate included different sections relating to the closure of State forest campgrounds. The Conference included two sections; one requires a report on the mini-State park initiative project outlined in the current-year budget (Sec. 707), the other states legislative intent that these campgrounds remain open. (Sec. 706)
9. **Settlement Property Leases.** The House included a new section requiring the Department to extend leases on property from the Consumer's Power Company settlement agreement for fair market value. The Conference did not include this section.
10. **Department Aircraft Report.** The House included a new section requiring the Department to compile a report detailing aircraft usage by the Department. The Conference included this section. (Sec. 710)
11. **Timber Marking.** The House increased the number of acres the Department is required to prescribe treatment to from 63,000 to 95,000, and the number prepared for harvest from 58,000 to 77,000. The Conference increased these numbers to 79,000 and 67,500, respectively. (Sec. 702)
12. **FY 2012-13 Anticipated Appropriations.** The House included a separate set of line-items for the anticipated FY 2012-13 appropriations. The Senate included a section of boilerplate. The Conference included a modified version of the Senate's boilerplate section. (Sec. 1201)

Date Completed: 6-24-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$532,631,400**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **Field Services Restructure.** The Governor, Senate, and House recommended a restructuring of post services. (3,208,500)
- 2. **Closure of Rockford.** The Governor, Senate, and House recommended closure of the center, reducing 12.0 FTE positions and saving \$1.0 million GF/GP. (1,000,000)
- 3. **Elimination of Collins Road Lease.** The Governor, Senate, and House included a plan to move the Emergency Management Division, saving \$750,000 GF/GP in rent costs. (750,000)
- 4. **Trooper Overtime.** The Governor, Senate, and House included a GF/GP reduction in trooper overtime. (4,641,200)
- 5. **School Bus Inspection Funding Restoration.** The Governor, Senate, and House restored the inspection unit to previous years' levels from 4.0 to 15.0 FTEs. 1,047,400
- 6. **Adjustment for Federal/Restricted Funds Received.** (12,499,300)
- 7. **Early Retirement Savings from FY 2010-11.** (1,859,900)
- 8. **Other Reductions.** (10,255,200)
- 9. **Fund Shifts** The Governor, House, and Senate proposed a fund shift, resulting in a net GF/GP reduction. (922,500)
- 10. **Economic Adjustments.** The Governor, House, and Senate included \$22,631,300 Gross and \$18,326,700 GF/GP. For DIT, a total of \$308,500 Gross and \$200,600 GF/GP. 22,940,400

Conference Agreement on Items of Difference

- 11. **Increase Fingerprint Analysis Fee.** The Governor and Senate included an increase in the fingerprint analysis fee, saving \$3.0 million GF/GP. The Conference rejected the plan. 0
- 12. **House Reductions.** The House made reductions to fire investigation (\$132,100), Parole Absconder sweeps (\$12,100), and traffic services (\$143,900). The Conference rejected reductions. 0
- 13. **Other House Reductions.** The House made reductions to Maintenance and Utilities (\$44,800), Mental Health Awareness Training (\$99,900), and Detroit lab (\$100). The Conference shifted reductions to Laboratory Operations. 0
- 14. **Homeland Security Grant to Legislature.** House eliminated (\$200,000). Conference included \$100. (199,900)
- 15. **Tobacco Tax Enforcement.** Senate added \$3.0 million; Conference concurred. 3,000,000
- 16. **Fire Investigation Training to Locals.** Conference shifted \$50,000 to Lab Operations. 0
- 17. **FY 2011-12 One-time Appropriations.** Conference included \$800,000 for MIS Traffic Control Support. 0
- 18. **Section 1 Format.** House bill featured a traditional line-item format, per FY 11. The Senate used an outcome-based format. Conference provided a hybrid of the two formats. 0

Total Changes..... (\$8,348,700)

**FY 2011-12 Enacted Gross Appropriation..... \$524,282,700**

**Changes from FY 2010-11 Year to Date:**Conference Agreement on Items of Difference

1. **Civil Service 1% Charge** (House). Not Included
2. **Hiring Freeze** (House). Not Included
3. **Privatization Notice** (House). Sec. 223
4. **Reports on Internet** (House). Sec. 208
5. **Record Retention** (House). Sec. 212
6. **Schedule of Programs Disclaimer**. Sec. 216
7. **Trooper School** (House). Not Included
8. **Out of State Travel Guidelines** (House). Sec. 213
9. **Internet Posting of Expenditures** (House). Sec. 207
10. **Requires Probation Info. on LEIN** (Senate). Sec. 306
11. **Require Liaison Role for Local Tower Use** (Senate). Sec. 232
12. **Requires LEIN Fee Notice** (Senate). Sec. 306
13. **Restricted Fund Report**. Sec. 229
14. **Mental health Awareness Grant**. Not Included
15. **Homeland Security First Responder Grants Prohibited from Supplanting Existing Expenditures** (Senate). Sec. 502
16. **List of IDGs-Incoming** (Senate). Sec. 204
17. **List of IDGs-Outgoing** (Senate). Sec. 205
18. **Requires Improvement Efficiency** (Senate). Sec. 217
19. **Use of GF/GP Savings** (Senate). Sec. 218
20. **Quarterly Reports by Department** (Senate). Sec. 219
21. **List of Core Services** (Senate). Sec. 221
22. **Inspection of Worksites** (Senate). Sec. 226
23. **Monitoring of Interoperability** (Senate). Sec. 227
24. **Forensic Testing Services** (Senate). Sec. 301
25. **Delivery of Training** (Senate). Sec. 302
26. **MCOLES Operations** (Senate). Sec. 303
27. **Maintenance of Criminal History System** (Senate). Sec. 304
28. **Fingerprint/Background Checks** (Senate). Sec. 305
29. **Maintenance of LEIN** (Senate). Sec. 306
30. **Oversight of Traffic Safety** (Senate). Sec. 401
31. **Criminal Investigations** (Senate). Sec. 402
32. **Fire Investigations Services** (Senate). Sec. 403
33. **Sex Offenders' Registry** (Senate). Sec. 404
34. **Specialty Services** (Senate). Sec. 405
35. **Regional Communications Centers** (Senate). Sec. 406
36. **Capitol Security** (Senate). Sec. 407
37. **Disaster Response** (Senate). Sec. 408
38. **Law Enforcement Delivery Model** (Senate). Sec. 409
39. **Michigan Intelligence Operation Center** (Senate). Sec. 501
40. **HAZMAT Training** (Senate). Sec. 502
41. **Emergency Command Center** (Senate). Sec. 503
42. **Public Safety Campaigns** (Senate). Sec. 504
43. **Grant Program Administration** (Senate). Sec. 505
44. **Guidelines for FY 2012-13 Appropriations**. Sec. 1201
45. **One-time Funding - \$800,000 for Michigan International Speedway Traffic Control**. Sec. 1001

Date Completed: 6-27-11

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**FY 2010-11 Year-to-Date Gross Appropriation ..... \$3,235,819,300**

**Changes from FY 2010-11 Year-to-Date:**

Items Included by the Senate and House

- 1. **Debt Service.** Governor, Senate, and House increased funding for scheduled debt service payments. 40,660,400
- 2. **Interdepartmental Grants (IDGs).** The Governor, Senate, and House adjusted funding for grants to other departments to adjust for variations in revenue. 1,388,400
- 3. **State Restricted Revenue.** The Governor, Senate, and House increased expenditures for road and bridge programs to align them with anticipated revenue. The increases were: State Trunkline Roads - \$96,083,800; County Road Commissions - \$19,245,700; Cities and Villages - \$10,730,400; and Local Bridge Program - \$452,700. 126,512,600
- 4. **State Trunkline Reduction.** The Senate and House removed the \$50.0 million in anticipated revenue assumed by the Governor to have come from reimbursements from Canada associated with the New International Trade Crossing. (50,000,000)
- 5. **Capital Outlay and Related.** The Governor, Senate, and House reduced payments for Airport Safety, Protection, and Improvement programs by \$13.5 million. Funding of \$9.9 million was removed that was to be used for facilities associated with the Blue Water Bridge expansion. (23,385,400)
- 6. **Federal Match Funding.** The Governor, Senate, and House reduced State Trunkline Funding in several line items to increase the amount available for Federal match requirements. (20,222,000)
- 7. **Other Revenue-based Adjustments.** The Governor, Senate, and House reduced expenditures from various funds to reflect anticipated revenue, including \$2.0 million in decreases in several line items due to lower than anticipated State Aeronautics Fund revenues and a decrease of \$1.2 million in restricted funds for intercity bus services. (3,164,200)
- 8. **Economic Adjustments.** The Governor, Senate, and House included \$14.2 million Gross and no GF/GP increase for economics. 14,207,200
- 9. **Other Changes.** The Governor, Senate, and House recommended miscellaneous adjustments in several line items to reflect changes in restricted and federal revenue estimates. The largest items included the transfer of \$2.6 million and 27.0 FTEs from DNR/DEQ for accounting services, a reduction of \$2.9 million in the State Trunkline Fund to increase amount available for Federal match, and the removal of \$1.0 million for one-time funding for the Light Rail project in Detroit. 5,954,400

Conference Agreement on Items of Difference

- 10. **Road and Bridge Funding Increases.** The House shifted \$20.0 million in CTF funding from the Local Bus Operating and Bus Capital line item - \$10.0 million each to the Road and Bridge and the County Road Commissions line items. The Conference did not include. 0
- 11. **Comprehensive Transportation Fund (CTF) Reduction.** The Senate reduced the Bus Capital line item by \$15.0 million. If anticipated statutory changes are made, the reduction will allow these funds to flow to the General Fund. The House did not include this change and instead shifted a total of \$20.0 million to Road and Bridge projects. The Conference did not include. 0
- 12. **FY 1022-12 One-Time Appropriations.** The Conference Report included GF/GP funding of \$500,000 for the maintenance and repair of two swing bridges.

Total Changes..... \$91,951,400

**FY 2011-12 Enacted Gross Appropriation..... \$3,327,770,700**

**Changes from FY 2010-11 Year to Date:**Items Included by the Senate and House

1. **Definitions.** The Governor deleted a number of definitions that are no longer used in the bill. The Senate retained this Section. The House retained the section, but eliminated "AASHTO" and "ASTM" from the definitions. The Conference Report concurred with the Governor and Senate. (Sec. 203).
2. **Confidential Bid Information.** Provide conditions for certain proprietary information to be kept confidential. Senate and House retained current language. (Sec. 304)
3. **Unspent Trunkline Funds.** Specifies unencumbered and unexpended funds are carried forward and appropriated. Senate and House retained current language. (Sec. 312)

Conference Agreement on Items of Difference

4. **Deleted Sections. RETAINED** the following sections that were eliminated by either the Senate or House: 202, 204, 207, 263, 303, 305, 306(2), 307, 309, 310, 319, 357, 383, 393, 398, 401, 601, 602, 603, 610, 612, 664, 703, 708, 711, 714, 731, 734, and 740. The Conference Report **DELETED** the following sections that were eliminated by either the Senate or the House: 205, 210, 314, 321, 322, 374, 376, 394, 395, 399, 502, 604, 607, 608, 615, 654, 656, 658, 659, 661, 662, 665, 709, 741, 743, and 745.
5. **IT Work Projects.** House added new language stating that unspent IT funds may be carried forward and designated as work projects. Senate did not include this language. Conference concurred with House. (Sec. 211)
6. **GF/GP Lapse Report.** House added new language requiring a report by September 30, 2011, providing an estimate of GF/GP appropriation lapses. Conference Report concurred with House and changed date to November 15. (Sec. 228)
7. **Restricted Fund Balances.** The Conference Report added new language stating that within 14 days following the release of the executive budget recommendation, the department shall provide an annual report on estimated State restricted fund balances, projected revenues, and projected expenditures. (Sec. 229)
8. **Remanufactured Parts.** Senate added language requiring the Department to use remanufactured parts when possible for maintenance and repair of State owned vehicles excluding State Police vehicles. Conference concurred with Senate. (Sec. 270)
9. **Public Hearing for Bridge Authorities.** The Senate retained the requirement for public hearings while the House removed the hearing requirement. The Conference Report retains the hearing requirement. (Sec. 301)
10. **Contract Compliance.** The House added new language stating that a contractor's prequalification rating shall not be reduced or restricted until all administrative appeals have been completed. The Conference concurred with the House and added language allowing the department to take immediate action regarding prequalification ratings for public safety reasons or to prevent fraud and malfeasance of public funds. (Sec. 308)
11. **Women- and Minority-Owned Businesses.** The House re-wrote the section and replaced "women- and minority-owned businesses" with "disadvantaged business program" and limited contracts with such programs to 5% and a maximum of 5 years under that classification. Conference does not include this section.
12. **Sale of Airplane.** House added new language requiring the Department to sell one of two Twin Turbo Prop airplanes and the proceeds to be credited to the SAF. Conference adopted new language requiring the Department and State budget office to provide for an independent study of the State's need for a State aircraft fleet. (Sec 382)
13. **State-Owned Aircraft Use.** Imposes requirements, prohibitions, and a quarterly report regarding the use of aircraft. The Senate changed reporting requirement to annually. House eliminated this section. Conference concurred with the Senate. (Sec. 383)
14. **Best Practices for Public Transportation.** Directs the Department to promote best practices for public transportation. Subsection b requires coordination with the MEDC to promote transition of bus fleets to hybrid transit vehicles to promote fuel economy. The Senate retained current language. The House deleted this section. The Conference retained the section but removed subsection b. (Sec. 393)
15. **Recycled Materials.** Senate deleted this section. House added a new subsection 2 that requires the Dept. to evaluate the use of a bituminous mix that incorporates crumb rubber from scrap tires. Conference concurred with House. (Sec. 660)
16. **DRIC.** The Senate and House included language disallowing any expenditures on DRIC or a renamed successor unless the Legislature adopts enabling legislation allowing for construction of a new bridge. The Conference added language stipulating that funds cannot be spent for construction or construction planning. (Sec. 384)
17. **One-Time Appropriation.** The Conference Report added new language providing for one-time GF/GP funding of \$500,000 for the maintenance of two swing bridges. (Sec. 1001)